U.S.C. 1375(b)), section 124 of the Soil Bank Act (7 U.S.C. 1812), and the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g–p). This amendment provides that the owner of land sold to an agency having the right of eminent domain is not displaced so long as he farms the land continuously under lease.

Since lands are being acquired by agencies having the right of eminent domain and leasing arrangements are being made which would have an effect on the pooling of allotments and bases, it is essential that this amendment be made effective as soon as possible. Accordingly, it is hereby determined and found that compliance with the notice, public procedure and 30-day effective date requirements of 5 U.S.C. 553 is impracticable and contrary to the public interest and this amendment shall be effective upon publication in the FEDERAL REGISTER.

§ 719.11 [Amended]

The regulations in § 719.11 are amended as follows:

Amend paragraph (a) (3) (ii), (4) and the first sentence of paragraph (h) to read as follows:

(ii) In the case of transfer of title, the date the owner loses possession of the acquired land as owner, or as lessee under lease beginning immediately after the owner conveyed title. Such owner may become displaced from the acquired land even though a lease is in effect if he wishes to give up his right to produce the allotment crops and feed grain bases on the acquired land:

(4) *Displaced owner.* The owner who gives up possession of the land acquired by an agency. A person who gets a farm subject to an outstanding contract of sale to any agency, or option to purchase by an agency, subject to pending condemnation proceedings, cannot be considered a displaced owner.

(h) *Reconstitution where all or part of an acquired farm is leased to the displaced owner.* Where possession of all or part of an acquired farm is retained by the displaced owner by virtue of a lease, any portion of the acquired farm which is not leased by the displaced owner shall be constituted separately from the leased portion at the date of displacement.

(Secs. 375, 378, 52 Stat. 66, as amended, 72 Stat. 995, as amended, 7 U.S.C. 1375, 1378; sec. 124, 70 Stat. 198, 7 U.S.C. 1812; sec. 4, 49 Stat. 164, 16 U.S.C. 590d)

Effective date: Upon publication in the FEDERAL REGISTER.

Signed at Washington, D.C., on August 14, 1968.

H. D. GODFREY,
Administrator, Agricultural Stabilization and Conservation Service.

[F.R. Doc. 68–10028; Filed, Aug. 20, 1968; 8:49 a.m.]

Chapter IX—Consumer and Marketing Service (Marketing Agreements and Orders; Fruits, Vegetables, Nuts), Department of Agriculture

PART 993—DRIED PRUNES PRODUCED IN CALIFORNIA

Subpart—Administrative Rules and Regulations

Notice was published in the July 26, 1968, issue of the FEDERAL REGISTER (33 F.R. 10656) regarding a proposed amendment of § 993.149 of the administrative rules and regulations (Subpart—Administrative Rules and Regulations; 7 CFR 993.101–993.174). The subpart is operative pursuant to the marketing agreement, as amended, and Order No. 993, as amended (7 CFR Part 993), regulating the handling of dried prunes produced in California.

The proposed amendment was recommended by the Prune Administrative Committee, established under the order, and relates to the disposition of certain defective prunes in nonhuman consumption outlets, and to the receiving of prunes by handlers at dehydrators' premises.

The notice afforded interested persons an opportunity to submit written data, views, or arguments with respect to the proposal. Comments were received from the Committee and one handler.

After consideration of all relevant matter presented, including that in the notice, the views submitted pursuant to the notice, the recommendations of the Prune Administrative Committee, and other available information, it is found that the amendment of the Subpart—Administrative Rules and Regulations, as hereinafter set forth, is in accordance with this part, will tend to effectuate the declared policy of the act, and for the reasons hereinafter set forth, should become effective at the time provided herein.

Therefore, it is hereby ordered, That § 993.149(d) (3) is revised, and a new paragraph (e) is added to § 993.149 to read as follows:

§ 993.149 Receiving of prunes by handlers.

* * * * *

(d) * * *

(3) *Disposition.* Prunes accumulated by a handler pursuant to subparagraph (2) of this paragraph shall be disposed of in nonhuman consumption outlets during the crop year in which the prunes establishing such obligation were received from producers and dehydrators unless the handler files an application with the Committee for additional time to complete such disposition and receives written approval from the Committee for such disposition within a specified period of time.

(e) *Receiving at dehydrator.* Notwithstanding paragraph (b) (1) of this section, any handler may arrange with the inspection service for the receiving of prunes at a dehydrator's premises designated as such handler's inspection station and for the incoming inspection and certification to be based on samples of prunes drawn as prune plums and dehydrated in the same manner as the prunes to which they are referable. Where such arrangement is acceptable to the Committee as permitting the inspection and certification of the prunes to be comparable to an inspection and certification when based on samples drawn as prunes, such certification shall be acceptable for the purposes of this section if the inspector further certifies that the dehydration process of the prunes being certified resulted in prunes eligible to be received under the terms and conditions of this part.

It is further found that good cause exists for not postponing the effective time of this action until 30 days after publication in the FEDERAL REGISTER (5 U.S.C. 553) in that: (1) It is imperative that the procedures with respect to receiving of prunes at dehydrator premises should be available to handlers as soon as possible; (2) the 1968–69 crop year began August 1, 1968, 1968 crop prune plums are now being delivered to dehydrators for dehydrating, and handlers should soon begin receiving 1968 crop prunes; (3) this action relieves restrictions on handlers; and (4) postponing the effective time of this action beyond the date of publication in the FEDERAL REGISTER would serve no useful purpose.

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated August 16, 1968, to become effective upon publication in the FEDERAL REGISTER.

PAUL A. NICHOLSON,
Deputy Director, Fruit and Vegetable Division.

[F.R. Doc. 68–10029; Filed, Aug. 20, 1968; 8:49 a.m.]

Title 12—BANKS AND BANKING

Chapter II—Federal Reserve System

SUBCHAPTER A—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

[Reg. H]

PART 208—MEMBERSHIP OF STATE BANKING INSTITUTIONS IN THE FEDERAL RESERVE SYSTEM

Branches

Section 208.122 is revised to read as follows:

§ 208.122 Loan "Production Offices" as branches.

For text of interpretation relating to this subject, see § 250.141 of this subparagraph.

(12 U.S.C. 248(i). Interprets 12 U.S.C. 36 and 321)

Dated at Washington, D.C., the 14th day of August 1968.

By order of the Board of Governors.

[SEAL] ROBERT P. FORRESTAL,
Assistant Secretary.

[F.R. Doc. 68-9993; Filed, Aug. 20, 1968; 8:45 a.m.]

PART 250—MISCELLANEOUS INTERPRETATIONS

Operations Subsidiaries

Section 250.141 is revised to read as follows:

§ 250.141 Member bank purchase of stock of operations subsidiaries.

(a) The Board of Governors has reexamined its position that the so-called "stock-purchase prohibition" of section 5136 of the Revised Statutes (12 U.S.C. 24), which is made applicable to member State banks by the 20th paragraph of section 9 of the Federal Reserve Act (12 U.S.C. 335), forbids the purchase by a member bank "for its own account of any shares of stock of any corporation" (the statutory language), except as specifically permitted by provisions of Federal law or as comprised within the concept of "such incidental powers as shall be necessary to carry on the business of banking", referred to in the first sentence of paragraph "Seventh" of R.S. 5136.

(b) In 1966 the Board expressed the view that said incidental powers do not permit member banks to purchase stock of "operations subsidiaries"—that is, organizations designed to serve, in effect, as separately-incorporated departments of the bank, performing, at locations at which the bank is authorized to engage in business, functions that the bank is empowered to perform directly. (See 1966 Federal Reserve Bulletin 1151.)

(c) The Board now considers that the incidental powers clause permits a bank to organize its operations in the manner that it believes best facilitates the performance thereof. One method of organization is through departments; another is through separate incorporation of particular operations. In other words, a wholly owned subsidiary corporation engaged in activities that the bank itself may perform is simply a convenient alternative organizational arrangement.

(d) Reexamination of the apparent purposes and legislative history of the stock-purchase prohibition referred to above has led the Board to conclude that such prohibition should not be interpreted to preclude a member bank from adopting such an organizational arrangement unless its use would be inconsistent with other Federal law, either statutory or judicial.

(e) In view of the relationship between the operation of certain subsidiaries and the branch banking laws, the Board has also reexamined its rulings on what constitutes "money lent" for the purposes of section 5155 of the Revised Statutes (12 U.S.C. 36), which provides that "The term 'branch' * * * shall be held to include any branch bank, branch office, branch agency, additional office, or any branch place of business * * * at which deposits are received, or checks paid, or money lent."[1]

(f) The Board noted its 1967 interpretation that offices that are open to the public and staffed by employees of the bank who regularly engage in soliciting borrowers, negotiating terms, and processing applications for loans (so-called "loan production offices") constitute branches. (1967 Federal Reserve Bulletin 1334.) The Board also noted that later in that year it considered the question whether a bank holding company may acquire the stock of a so-called "mortgage company" on the basis that the company would be engaged in "furnishing services to or performing services for such bank holding company or its banking subsidiaries" (the so-called "servicing exemption" of section 4(c)(1)(C) of the Bank Holding Company Act; 12 U.S.C. 1843). In concluding affirmatively, the Board stated that "the appropriate test for determining whether the company may be considered as within the servicing exemption is whether the company will perform as principal any banking activities—such as receiving deposits, paying checks, extending credit, conducting a trust department, and the like. In other words, if the mortgage company is to act merely as an adjunct to a bank for the purpose of facilitating the bank's operations, the company may appropriately be considered as within the scope of the servicing exemption." (1967 Federal Reserve Bulletin 1911; 12 CFR 222.122.)

(g) The Board believes that the purposes of the branch banking laws and the servicing exemption are related. Generally, what constitutes a branch does not constitute a servicing organization and, vice versa, an office that only performs servicing functions should not be considered a branch. (See 1958 Federal Reserve Bulletin 431, last paragraph; 12 CFR 222.104(e).) When viewed together, the above-cited interpretations on loan production offices and mortgage companies represent a departure from this principle. In reconsidering the laws involved, the Board has concluded that a test similar to that adopted with respect to the servicing exemption under the Bank Holding Company Act is appropriate for use in determining whether or not what constitutes "money [is] lent" at a particular office, for the purpose of the Federal branch banking laws.

(h) Accordingly, the Board considers that the following activities, individually or collectively, do not constitute the lending of money within the meaning of section 5155 of the revised statutes: soliciting loans on behalf of a bank (or a branch thereof), assembling credit information, making property inspections and appraisals, securing title information, preparing applications for loans (including making recommendations with respect to action thereon), soliciting investors to purchase loans from the bank, seeking to have such investors contract with the bank for the servicing of such loans, and other similar agent-type activities. When loans are approved and funds disbursed solely at the main office or a branch of the bank, an office at which only preliminary and servicing steps are taken is not a place where "money [is] lent". Because preliminary and servicing steps of the kinds described do not constitute the performance of significant banking functions of the type that Congress contemplated should be performed only at governmentally approved offices, such office is accordingly not a branch.

(i) To summarize the foregoing, the Board has concluded that, insofar as Federal law is concerned, a member bank may purchase for its own account shares of a corporation to perform, at locations at which the bank is authorized to engage in business, functions that the bank is empowered to perform directly. Also, a member bank may establish and operate, at any location in the United States, a "loan production office" of the type described herein. Such offices may be established and operated by the bank either directly, or indirectly through a wholly-owned subsidiary corporation.

(j) This interpretation supersedes both the Board's 1966 ruling on "operations subsidiaries" and its 1967 ruling on "loan production offices", referred to above.

(12 U.S.C. 248(i). Interprets 12 U.S.C. 24, 36, 321, and 335)

Dated at Washington, D.C., the 14th day of August 1968.

By order of the Board of Governors.

[SEAL] ROBERT P. FORRESTAL,
Assistant Secretary.

[F.R. Doc. 68-9994; Filed, Aug. 20, 1968; 8:45 a.m.]

[1] In the Board's judgment, the statutory enumeration of three specific functions that establish branch status is not meant to be exclusive but to assure that offices at which any of these functions is performed are regarded as branches by the bank regulatory authorities. In applying the statute the emphasis should be to assure that significant banking functions are made available to the public only at governmentally authorized offices.

Title 21—FOOD AND DRUGS

Chapter I—Food and Drug Administration, Department of Health, Education, and Welfare

SUBCHAPTER A—GENERAL

PART 3—STATEMENTS OF GENERAL POLICY OR INTERPRETATION

Common Name for Food Fish of the Species *Reinhardtius Hippoglossoides*

Under the authority vested in the Secretary of Health, Education, and Welfare by the Federal Food, Drug, and Cosmetic Act (secs. 403(b), 701(a), 52 Stat. 1047, 1055; 21 U.S.C. 343(b), 371(a)) and delegated to the Commissioner of Food and

Drugs (21 CFR 2.120), the following new section is added to Part 3:

§ 3.70 "Flounder" or "northern flounder" is the common name for food fish of the species *Reinhardtius hippoglossoides*.

(a) The food fish commonly known as "halibut" is a member of the species *Hippoglossus hippoglossus* (caught in the Atlantic Ocean) or the species *Hippoglossus stenolepis* (caught in the Pacific Ocean). The name "Greenland halibut" has been accepted in the scientific community as the name for food fish of the species *Reinhardtius hippoglossoides*, which is a variety of the fish commonly known as flounder. For this reason the Food and Drug Administration in the past has not objected to the use of the name "Greenland halibut" in the labeling of this species of fish. There is now, however, sufficient information available to the Administration to show that the ordinary individual who prefers the true, and more expensive, halibut may purchase fish labeled as "Greenland halibut" under the impression that it is a kind of halibut, which is not the case.

(b) The Food and Drug Administration therefore concludes that the food fish of the species *Reinhardtius hippoglossoides* labeled as "Greenland halibut" or with any other name which includes the word "halibut" is misbranded within the meaning of section 403(b) of the Federal Food, Drug, and Cosmetic Act. The labeling of such fish shall bear either the name "flounder" or, since the species is caught only in circumpolar waters, the name "northern flounder."

(c) The Food and Drug Administration will consider appropriate regulatory action regarding such misbranded fish shipped in interstate commerce if the act of misbranding the fish occurs after 90 days following the date of publication of this section in the FEDERAL REGISTER.

(Secs. 403(b), 701(a), 52 Stat. 1047, 1055; 21 U.S.C. 343(b), 371(a))

Dated: August 13, 1968.

HERBERT L. LEY, JR.,
Commissioner of Food and Drugs.

[F.R. Doc. 68-10070; Filed, Aug. 20, 1968; 8:51 a.m.]

SUBCHAPTER B—FOOD AND FOOD PRODUCTS

PART 120—TOLERANCES AND EXEMPTIONS FROM TOLERANCES FOR PESTICIDE CHEMICALS IN OR ON RAW AGRICULTURAL COMMODITIES

S-Ethyl Dipropylthiocarbamate

A petition (PP 8F0643) was filed with the Food and Drug Administration by the Stauffer Chemical Co., Richmond, Calif. 94800, proposing the establishment of tolerances for negligible residues of the herbicide *S*-ethyl dipropylthiocarbamate in or on the raw agricultural commodities almond hulls, asparagus, castor beans, citrus, cotton forage, cottonseed, curcubits, flaxseed, forage grasses, forage legumes, fruiting vegetables, grain crops, leafy vegetables, nuts, pineapples, root crop vegetables, safflower seed, seed and pod vegetables, small fruits, strawberries, and sunflower seed at 0.1 part per million.

Subsequently the petitioner amended the petition by withdrawing the request for a tolerance regarding curcubits.

The Secretary of Agriculture has certified that this pesticide chemical is useful for the purposes for which the tolerances are being established.

Based on consideration given the data submitted in the petition, and other relevant material, the Commissioner of Food and Drugs concludes that the tolerances established by this order will protect the public health. Therefore, by virtue of the authority vested in the Secretary of Health, Education, and Welfare by the Federal Food, Drug, and Cosmetic Act (sec. 408(d)(2), 68 Stat. 512; 21 U.S.C. 346a(d)(2)) and delegated to the Commissioner (21 CFR 2.120), Part 120 is amended by adding to Subpart C the following new section:

§ 120.117 *S*-Ethyl dipropylthiocarbamate; tolerances for residues.

Tolerances are established for negligible residues of the herbicide *S*-ethyl dipropylthiocarbamate in or on the raw agricultural commodities almond hulls, asparagus, castor beans, citrus, cotton forage, cottonseed, flaxseed, forage grasses, forage legumes, fruiting vegetables, grain crops, leafy vegetables, nuts, pineapples, root crop vegetables, safflower seed, seed and pod vegetables, small fruits, strawberries, and sunflower seed at 0.1 part per million.

Any person who will be adversely affected by the foregoing order may at any time within 30 days from the date of its publication in the FEDERAL REGISTER file with the Hearing Clerk, Department of Health, Education, and Welfare, Room 5440, 330 Independence Avenue SW., Washington, D.C. 20201, written objections thereto, preferably in quintuplicate. Objections shall show wherein the person filing will be adversely affected by the order and specify with particularity the provisions of the order deemed objectionable and the grounds for the objections. If a hearing is requested, the objections must state the issues for the hearing. A hearing will be granted if the objections are supported by grounds legally sufficient to justify the relief sought. Objections may be accompanied by a memorandum or brief in support thereof.

Effective date. This order shall become effective on the date of its publication in the FEDERAL REGISTER.

(Sec. 408(d)(2), 68 Stat. 512; 21 U.S.C. 346a(d)(2))

Dated: August 12, 1968.

J. K. KIRK,
Associate Commissioner for Compliance.

[F.R. Doc. 68-10071; Filed, Aug. 20, 1968; 8:51 a.m.]

SUBCHAPTER C—DRUGS

PART 166—DEPRESSANT AND STIMULANT DRUGS; DEFINITIONS, PROCEDURAL AND INTERPRETIVE REGULATIONS

Listing of Additional Drugs as Drugs Subject to Control

In the matter of listing of synthesized tetrahydrocannabinols as "depressant or stimulant" drugs within the meaning of section 201(v) of the Federal Food, Drug, and Cosmetic Act because such drugs have a potential for abuse because of their hallucinogenic effects:

No comments were received on the proposal in the above-identified matter published in the FEDERAL REGISTER of July 9, 1968 (33 F.R. 9833), and it is concluded that the amendment should be adopted as proposed.

Therefore, pursuant to the provisions of the Federal Food, Drug and Cosmetic Act (secs. 201(v), 511, 701, 52 Stat. 1055, as amended, 79 Stat. 227 et seq.; 21 U.S.C. 321(v), 360a, 371) and under the authority vested in the Attorney General by Reorganization Plan No. 1 of 1968 (33 F.R. 5611), and redelegated to the Director, Bureau of Narcotics and Dangerous Drugs (28 C.F.R. 0.200), Section 166.3(c)(3) is amended by alphabetically inserting in the list of drugs, new items, as follows:

§ 166.3 Listing of drugs defined in section 201(v) of the Act.

* * * * *

(c) * * *

(3) * * *

Synthetic equivalents of the substances contained in the plant, or in the resinous extractives of *Cannabis* sp. and/or synthetic substances, derivatives, and their isomers with similar chemical structure and pharmacological activity such as the following:

Δ^1 cis or trans tetrahydrocannabinol, and their optical isomers,

Δ^6 cis or trans tetrahydrocannabinol, and their optical isomers,

$\Delta^{3,4}$ tetrahydrocannabinol, and its optical isomers.

(Since nomenclature of these substances is not internationally standardized, compounds of these structures, regardless of numerical designation of atomic positions are covered.)

Any person who will be adversely affected by the foregoing order may at any time within 30 days from the date of its publication in the FEDERAL REGISTER file with the Chief Counsel, Bureau of Narcotics and Dangerous Drugs, Department of Justice, Room 613, 633 Indiana Avenue, Washington, D.C. 20226, written objections thereto. Objections shall show wherein the person filing will be adversely affected by the order and specify with particularity the provisions of the order deemed objectionable and the grounds for objections. If a hearing is requested, the objections must state the issues for the hearing, and such objections must be supported by grounds legally sufficient to justify the relief sought. Objections may be accompanied by a memorandum or brief in support thereof. All documents shall be filed in six copies.

Effective date. This order shall become effective 31 days from the date of its publication in the FEDERAL REGISTER, except as to any provision that may be stayed by the filing of proper objections. Notice of the filing of objections or lack thereof will be announced by publication in the FEDERAL REGISTER.

Dated: August 13, 1968.

JOHN E. INGERSOLL,
Director, Bureau of Narcotics and Dangerous Drugs.

[F.R. Doc. 68-10040; Filed, Aug. 20, 1968; 8:49 a.m.]

Title 24—HOUSING AND HOUSING CREDIT

Subtitle A—Office of the Secretary, Department of Housing and Urban Development

PART 3—RENEWAL ASSISTANCE

Subpart A—Urban Renewal Projects, Demolition Programs, and Code Enforcement Programs

The heading of Part 3 is revised as set forth above and Subpart A of Part 3 is added as follows:

Subpart A—Urban Renewal Projects, Demolition Programs, and Code Enforcement Programs

Sec.
3.1 Definitions.
3.2 General policies and procedures.
3.3 Urban renewal projects.
3.4 Code enforcement programs.
3.5 Demolition programs.
3.6 Rehabilitation grants.
3.7 Community renewal programs.
3.8 Applications; information.

AUTHORITY: The provisions of this Subpart A issued under sec. 7(d), Public Law 89-174, 79 Stat. 670, 42 U.S.C. 3535(d); sec. C, 2, of Secretary's delegation to Assistant Secretary for Renewal and Housing Assistance effective July 1, 1966 (31 F.R. 8964, June 29, 1966), as amended effective August 5, 1967 (32 F.R. 11390, Aug. 5, 1967). The heading of Part 3 is revised to read as set forth above.

Subpart A—Urban Renewal Projects, Demolition Programs, and Code Enforcement Programs

§ 3.1 Definitions.

(a) Title I of the Housing Act of 1949, 63 Stat. 414 (1949), as amended, 42 U.S.C. section 1450 et seq., authorizes the Department of Housing and Urban Development to finance the undertaking of local programs designed for the elimination and prevention of slums and blight, including slum clearance and urban renewal, rehabilitation, code enforcement, and demolition.

(b) The terms used herein shall have the meanings attributed to them in section 110 of the Housing Act of 1949, as amended, 42 U.S.C. section 1460.

§ 3.2 General policies and procedures.

Title I of the Housing Act of 1949, as amended, authorizes the Department of Housing and Urban Development to provide localities with Federal technical and financial assistance through a number of programs designed for the elimination and prevention of slums and blight and the removal of factors that create slums and blighting conditions. Applications for grants, loans, and advances should be filed with the Regional Office which serves the locality seeking assistance. The Regional Offices of the Department of Housing and Urban Development provide forms for making application for Federal aid, furnish information and assistance, receive completed applications, and notify recipients of the approval of such applications.

§ 3.3 Urban renewal projects.

Urban renewal projects are planned and executed by local public agencies which, depending on State law, may be separate urban renewal agencies, local housing authorities, or departments of city governments. To qualify for Federal assistance to an urban renewal project, a community must adopt, and have certified by the Secretary of Housing and Urban Development, a Workable Program for Community Improvement designed to eliminate blight and prevent its recurrence. In addition, a local public agency must make a showing that there is a feasible method for the temporary relocation of the individuals and families displaced from the urban renewal area and must assure the Secretary that there are, or are being provided, sufficient units of decent, safe, and sanitary relocation housing in comparable areas at reasonable rents. The policies and procedures applicable to urban renewal projects are set forth in the Urban Renewal Handbook, RHA 7200 through RHA 7228.

(a) An urban renewal project assisted under Title I may include, in accordance with the urban renewal plan for the area, acquisition of land, site clearance, installation of streets, utilities, parks, playgrounds, and other improvements, restoration and relocation of structures of historic or architectural value, carrying out plans for programs of code enforcement, voluntary repair and rehabilitation of buildings or other improvements, and disposition of acquired land.

(b) The Secretary is authorized to make relocation grants to local public agencies to reimburse them for payments to individuals, families, and businesses for their reasonable and necessary moving expenses, for any direct loss of property resulting from their displacement from an urban renewal area and for related payments. The regulations governing such payments may be found at 24 CFR 3.100 et seq.

(c) The Secretary is authorized to make an advance of funds to a local public agency (1) for survey and planning work for the project, (2) to determine the feasibility of the undertaking of a project, and (3) for a General Neighborhood Renewal Plan outlining the urban renewal activities proposed in an area which is of such size that the activities may have to be initiated and carried out in stages.

(d) The Secretary is authorized to make a temporary loan to be used by the local public agency as working capital in acquiring real estate, clearing the site, and preparing the area for redevelopment or conservation and rehabilitation.

(e) The Secretary is authorized to make a definitive loan to the local public agency, for a period not exceeding 40 years, when project land is leased rather than sold to a redeveloper. A definitive loan must be amortized from the rental income derived from the land.

(f) The Secretary is authorized to make a project capital grant to a local public agency not exceeding two-thirds of the Net Project Cost except that a project capital grant may be made not exceeding three-fourths of the Net Project Cost (1) where the project is located in a municipality with a population of fifty thousand or less, (2) where the project is situated in an officially designated redevelopment area, or (3) where the Net Project Cost excludes the costs of survey, planning, administrative, legal and certain other expenses.

(g) The local contribution toward the cost of the project may be made in the form of cash or noncash grants-in-aid, such as donations of land, demolition and removal work, project improvements, historic preservation activities, certain expenditures by colleges, universities, and hospitals, or public facilities that benefit the project.

(h) Application for financial assistance for an urban renewal project may be made by local public agencies on Form HUD-6100, Survey and Planning Application, and Form HUD-612, Application for Loan and Grant.

§ 3.4 Code enforcement programs.

The Secretary is authorized to make a grant of not exceeding two-thirds (or three-fourths in the case of a municipality having a population of 50,000 or less) of the cost of carrying out programs of concentrated code enforcement in deteriorated or deteriorating areas in which such enforcement, together with those public improvements to be provided by the locality, may be expected to arrest the decline of the area. Eligible code enforcement activities may include the provision and repair of necessary streets, curbs, sidewalks, street lighting, tree planting, and similar improvements within such areas. Prior to execution of a contract for a code enforcement grant, the municipality must have a workable program for community improvement currently in effect, must assure that any individuals or families displaced by the code enforcement activities are offered decent, safe, and sanitary housing within their means, and must provide relocation assistance and relocation payments on the same basis as in urban renewal project activities. The policies and procedures applicable to code enforcement programs are set forth in the Code Enforcement Grant Handbook, RHA 7250. Application for financial assistance for a code enforcement grant may be made by cities, other municipalities, and counties on Form HUD-6170, Application for